Russian Proposal to Sell Indian Debt

5463. DR. BAPU KALDATE :
SHRIMATI KAMLA SINHA :

Will the Minister of FINANCE be pleased to state :

(a) whether Government are aware of the Russian Government's proposal to sell part of the indian debt to a private Russian company at discounted rates;

(b) if so, whether any communication to this effect has been received by Government from the Russian Government;

(c) if so, what are the details thereof;

(d) what are the financial implications involved; and

(e) what is the reaction of Government with regard thereto ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SH. M.V. CHANDRASHEKHAR MURTHY) : (a) Government have seen press reports on the subject.

(b) No communication to this effect has been received from the Russian Government.

(c) to (e) Do not arise.

Lapsed Life Insurance Policies in Andhra Pradesh

5464. SHRI HANUMANTHA RAO : Will the Minister of FINANCE be pleased to state :

(a) whether it is a fact that a very high percentage of lapsed life insurance policies is from Andhra Pradesh;

(b) what steps Government are taking to identify and alert all such affected people to claim their dues or renew their policies; and

(c) whether it is a fact that insurance companies are deliberately ignoring this problem in Andhra Pradesh?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.V. CHANDRASHEKHAR MURTHY) : (a) The percentage of lapsed life insurance policies in Andhra Pradesh is 7.65% which is not very high.

(b) The Life Insurance Corporation of India write to the policyholder about the lapsation of policies with an advice to revive the same under the Corporation's various revival schemes. Special Revival Campaigns are also organised to encourage policyholder to revive the lapsed policy by granting relaxations in requirements. Under the lapsed policies, no amount is payable to the policyholder.

(c) No, Sir.

Board of Directors of RBI

5465. SHRI CHIMANBHAI MEHTA :
SHRIMATI RENUKA CHOWDHURY:

Will the Minister of FINANCE be pleased to state :

(a) whether it is a fact that Government have recently re-constituted the Board of Directors of RBI;

(b) if so, what are the details thereof;

(c) whether before reconstituting the Board, Government took into consideration the contents of a letter jointly signed by some Members of Parliament addressed to P.M. (with a copy to F.M.) regarding possible induction of persons against whom prosecutions are pending for FERA violations and central excise evasion cases; and

(d) if so, what weighed with Government to over look the points made by these members ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.V. CHANDRASHEKHAR MURTHY) : (a) and (b) The Central and Local Boards of Reserve Bank of India (RBI) have been reconstituted on 28th March, 1994, by appointing 10 directors on the Central Board of RBI and 17 members on the four Local Boards of RBI. Four members of the Local Boards, i.e. one from each of the Local Boards, have also been appointed as directors on the Central Board of RBI. The names of these directors and members are given in the enclosed statement (*see* below) All these appointments have been made for a period of four years.

(c) and (d) The letter referred to was received in this Ministry after the above appointments were notified. However, before making the appointments, clearances from various angles, including FERA and Central Excise, were obtained in respect of all the persons appointed.

Statement

Central Board of Reserve Bank of India

1. Sh. Ratan Naval Tata,
Chairman, Tata Sons Ltd.,
Bombay.

2. Sh. Krishan Lal Chugh,
Chairman, ITC Ltd.,
Calcutta.

3. Sh. Mumtaz Ahmad,
Chief Executive,
Namdang Tea Company (India) Ltd.,
Calcutta.

4. Dr. C.H. Hanumantha Rao,
Ex-Member, Planning Commission,
Hyderabad.

5. Dr. Bhai Mohan Singh,
Chairman Emeritus,
Ranbaxy Laboratories Ltd.,
New Delhi.

6. Dr. M.L. Shahare,
Ex-Chairman, UPSC,
New Delhi.

7. Dr. Amrita Patel,
Managing Director,
National Diary Development Board,
Anand.

8. Sh. Gopala Ramanujam,
President,
Indian National trade Union Congress,
Madras.

9. Sh. Vipin Malik,
Chartered Accountant, V. Malik and Associates,
New Delhi.

10. Sh. Sardara Singh Johl,
Former Chairman,
Commission for Agri.
Costs & Prices, GOI,
Ludhiana.

11. Sh. Jamshed Jiji Irani CMD,
TISCO Ltd., Jamshedpur.
—from Eastern Area Local Board

12. Sh. Prithvi Nath Dhar,
Chairman, Institute of Economic Growth,
Delhi.
—from Northern Area Local Board

13. Sh. Erasu Ayyapu Reddy,
Advocate,
Hyderabad.
—from Southern Area Local Board

14. Sh. Yezdi Hirji Malegam,
Chartered Accountant,
Bombay.
—from Western Area Local Board.

Western Area Local Board:

1. Sh. Yezdi Hirji Malegam,
Chartered Accountant, Bombay.

2. Dr. Bakul H. Dholakia, Prof. of Industrial Economics, IIM, Ahmedabad.

3. Sh. Pradip Pannalal Shah,
Managing Director,
CRISIL, Bombay.

4. Dr. Neelkanth A. Kalyani,
Chairman and Managing Director, Bharat Forge Ltd., Pune,

5. Sh. Inder Chand Jain,
Chartered Accountant,
Khandelwal Jain & Co., Bombay.

Eastern Area Local Board:

1. Sh. Jamshed Jiji Irani,
CMD, TISCO Ltd., Jamshedpur.

2. Sh. Tarun Chandra Dutt,
Chairman, W.B. Industrial Development Corporation Ltd., Calcutta.

3. Dr. Subrata Ganguly,
Executive Vice-CMD, The Associated Cement Companies Ltd., Bombay.

4. Dr. Subir Chowdhury,
Director, IIM, Calcutta.

Northern Area Local Board:

1. Sh. Prithvi Nath Dhar,
Chairman, Institute of Economic Growth,
Delhi.

2. Smt. Shobana Bhartia,

Executive Director, Hindustan Times, New Delhi.

3. Sh. Brij Mohan Lall, Industrialist, Hero Honda Group, New Delhi.

4. Sh. D.H. Pai Panandikar, Ex. Secretary General, FICCI, New Delhi.

Southern Area Local Board :

1. Sh. Etasu Ayyapu Reddy, Advocate Hyderabad.

2. Sh. K. Shankar, Vice Chairman and Managing Director, Chemical and Plastics India Ltd., Madras.

3. Sh. K. Ramunni Menon, IAS (Retd.), Trivandrum.

4. Sh. Devineni Seetharamaiah, Chartered Accountant, Brahmayya & Co., Hyderabad.

Cases of Excise Evasion, Bank Frauds etc.

5466. SHRI CHIMANBHAI MEHTA : Will the Minister of FINANCE be pleased to state :

(a) whether it is a fact that even in the wake of the biggest financial scam that rocked the country, more and more cases of alleged excise evasion, bank frauds involving big industrial houses are coming to light;

(b) what deterent action Government propose to take against the erring parties, particularly the banks and financial institutions, for over-looking such financial irregularities as pointed out by JPC;

(c) whether he has received any communication from any Member of Parliament in this connection; and

(d) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.V. CHANDRASHEKHAR MURTHY) : (a) to (d) Information is being collected and will be laid on the Table of the House.

Losses Incurred by Public Sector Banks

5467. SHRI RAM NATH KOVIND : Will the Minister of FINANCE be pleased to state :—

(a) whether it is a fact that some of the Public Sector Banks have incurred losses to the tune of crores of rupees during 1993-94;

(b) if so, the names of such banks, the quantum of losses and the reasons therefor;

(c) whether the Reserve Bank of India has framed guideline for public sector banks to save them from such losses;

(d) whether Government have any proposal to bring public sector banks at par with foreign banks operating in India in the matter of customer's satisfaction oriented services; and

(e) if so, the details thereof and the measures taken to rectify the indifferent and callous attitude of the public sector banks employees?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.V. CHANDRASHEHAR MURTHY) : (a) and (b) Public sector banks are yet to finalise their annual accounts for the year 1993-94.

(c) Reserve Bank of India (RBI) have initiated various steps to improve the working and profitability of the public sector banks. The banks have been advised to prepare Action Plans on the following areas :

(i) Improvement in the organisational set up;

(ii) Improving the productivity levels including mechanisation in key areas and containment of staff;

(iii) Human Resources Development;

(iv) Improving house-keeping and internal control;

(v) Improvement in credit appraisal, monitoring and generally improving credit administration;

(vi) Effective recovery measures;

(vii) Strengthening vigilance machinery and deterrent action against erring officials; and

(viii) Profit planning and improvement in profit levels.